

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|-----------------------------|---|---------------------|
| NOTICE OF GAS COST |) | |
| ADJUSTMENT FILING OF BELFRY |) | CASE NO. 2004-00486 |
| GAS COMPANY, INC. |) | |

ORDER

On October 11, 1993, in Case No. 1993-00111, the Commission approved rates for Belfry Gas Company, Inc. ("Belfry") and provided for their further adjustment in accordance with Belfry's gas cost adjustment ("GCA") clause.¹

On December 1, 2004, Belfry filed its GCA to be effective January 1, 2005.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Belfry's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Belfry's proposed expected gas cost ("EGC") is \$9.7329 per Mcf, which is an increase of \$1.9632 per Mcf from the previous EGC of \$7.7697.
3. Belfry's notice sets out no refund adjustment ("RA"). Belfry did, however, receive a refund of \$29.76 from Columbia Gas Transmission Corporation, which was deposited in January 2004. The Commission's Financial Audit Branch discovered the refund during a follow up limited exam it performed in 2004. Correcting for this omission

¹ Case No. 1993-00111, Adjustment of Rates of Belfry Gas Company, Incorporated and for Authority to Incur Additional Indebtedness, Order dated October 11, 1993.

results in an RA of (.06) cent per Mcf, which is a decrease of (.06) cent per Mcf from the prior RA in effect.

4. Belfry's notice sets out a current quarter actual adjustment ("AA") of .29 cent per Mcf. Belfry's notice sets out a total AA of 6.08 cents per Mcf, which is an increase of .16 cent from the previous total AA.

5. Belfry's notice sets out no balance adjustment.

6. Belfry's GCA is \$9.7931 per Mcf, which is \$1.9642 per Mcf more than the previous rate of \$7.8289.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Belfry on and after January 1, 2005.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Belfry are denied.

2. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after January 1, 2005.

3. Within 20 days of the date of this Order, Belfry shall file with this Commission its revised tariff sheets setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 17th day of December, 2004.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2004-00486 DATED December 17, 2004

The following rates and charges are prescribed for the customers served by Belfry Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RETAIL RATES:

Monthly usage

| | <u>Base Rate</u> | Gas Cost Recovery <u>Rate</u> | <u>Total</u> |
|------------------------------------------|------------------|-------------------------------------|--------------|
| First 1,000 cubic feet (Minimum Bill) | \$4.2667 | \$9.7931 | \$ 14.0598 |
| Over 1,000 cubic feet | \$2.7182 | \$9.7931 | \$ 12.5113 |